

#### **§ 742.28**

shall be construed to prevent the warehouseman from adopting a rule that he will insure all cottonseed stored in his warehouse.

(b) Each warehouseman shall keep exposed conspicuously in the place prescribed by § 742.7 and at such other place as the Administrator or his representative may from time to time designate, a notice stating briefly the conditions under which the cottonseed will be insured against loss or damage by fire, lightning, tornado, or flood.

#### **§ 742.28 Premiums; inspections; reports.**

Each warehouseman shall, in accordance with his contracts with insurance and bonding companies for the purpose of meeting the insurance and bonding requirements of this part, pay such premium, permit such reasonable inspections and examinations, and make such reasonable reports as may be provided for in such contracts.

#### **§ 742.29 Insurance; collection and payment.**

Each warehouseman shall promptly take such steps as may be necessary and proper to collect any moneys which may become due under contracts of insurance entered into by him for the purpose of meeting the requirements of this part, and shall, as soon as collected, promptly pay over to the persons concerned, any portion of such moneys which they may be entitled to receive from him.

#### **§ 742.30 Shrinkage; agreement.**

At the time cottonseed is received for storage the warehouseman and the depositor shall agree upon an amount to be allowed for shrinkage while the cottonseed is in storage, such shrinkage to include loss caused by natural drying out of the cottonseed, but in no event shall the total amount of shrinkage exceed 5 percent of the weight of the cottonseed at the time it entered storage. In case no agreement as to shrinkage has been made, the difference in the moisture content of the cottonseed at the beginning of the storage period and at the time of delivery shall form a basis for calculating shrinkage.

#### **7 CFR Ch. VII (1-1-00 Edition)**

#### **§ 742.31 Care of cottonseed in storage.**

Each warehouseman shall at all times exercise such care in regard to cottonseed in his custody as a reasonably careful owner would exercise under the same circumstances and conditions. He shall also equip his warehouse with thermometers to determine the temperature of the cottonseed while in storage and shall make readings of the thermometers with such frequency as the Administrator or his representatives may direct, and permanently record the same, but in no event shall such readings be made less frequently than every third working day. If the cottonseed attains a temperature of 110° F. the warehouseman shall immediately take such action as is necessary to lower the temperature. If the depositor of the cottonseed or any other person to whom he may have transferred title or interest in the cottonseed desires to make temperature determinations he shall be permitted to do so in company with the warehouseman or the warehouseman's representative.

(Approved by the Office of Management and Budget under control number 0560-0120)

[SRA, BAE 102; 13 FR 8731, Dec. 30, 1948, as amended at 47 FR 745, Jan. 7, 1982. Redesignated at 50 FR 1814, Jan. 14, 1985]

#### **§ 742.32 Care of nonlicensed cottonseed, or other commodities.**

If, at any time, a warehouseman shall handle or store cottonseed otherwise than as a licensed warehouseman, or shall handle or store any other commodity, he shall so protect the same, and otherwise exercise such care with respect to it, as not to endanger the cottonseed in his custody as a licensed warehouseman or impair his ability to meet his obligations and perform his duties under the act and the regulations in this part.

#### **§ 742.33 Records to be kept in safe place.**

Each warehouseman shall provide a metal fireproof safe, a fireproof vault or a fireproof compartment in which he shall keep, when not in actual use, all records, books, and papers pertaining to the licensed warehouse, including